

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

MARCH 21, 2005

The State Building Commission Executive Sub-committee met this day at 11:00 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dave Goetz, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Mike Fitts, State Architect
Charles Garrett, Department of Finance and Administration
Georgia Martin, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Jerry Preston, Tennessee Board of Regents
John Cothorn, Middle Tennessee State University
Mike Gower, Middle Tennessee State University
Larry Hillis, Department of Environment and Conservation
Jim Fyke, Department of Environment and Conservation
Mike Baumstark, Department of Environment and Conservation
Mark Wood, Secretary of State's Office
Todd Staley, Rep. John Hood
Jeff Roberts, Department of Human Services

Judy Gayle, Department of Human Services
Nancy Blevins, Department of Finance and Administration
Jim Gordon, Department of Children's Services
Karen Hale, Comptroller's Office
Annette Crutchfield, Legislative Budget Analysis
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
George Brummett, Department of Finance and Administration
Dennis Raffield, THEC
Ken Scalf, Department of Finance and Administration
Pat Haas, Bond Finance
David Gregory, Tennessee Board of Regents
Keith Robinson, Tennessee Board of Regents
Mary Margaret Collier, Comptroller's Office

Comptroller Morgan called the meeting to order at 11:38 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

TENNESSEE BOARD OF REGENTS

Statewide

1) Approved a request to use the Commissioning Agent in the following projects:

		Total Project Cost
166/005-11-2002	ETSU VA#6 Forensic Pathology Renovations	6,500,000.00
166/009-02-2004	MTSU Nursing Building Addition	5,025,000.00
166/001-02-2003	TSU RaSP Building New Construction	9,000,000.00
166/011-03-2002	TTU Nursing & Health Services Building	16,995,000.00
166/007-08-2002	UoM University Center Replacement	42,300,000.00
166/017-01-1992	DSCC LRC Addition and Renovation	10,116,700.00
166/021-01-1992	MSCC Library Building	10,142,500.00
166/038-01-2004	NSTCC Humanities Building	14,700,000.00
166/032-02-1992	PSTCC Academic Building & Plant Renovation	8,107,427.00

SBC Project No. 166/000-03-2002 for the Commissioning Master Contract

Middle Tennessee State University, Murfreesboro, Tennessee

1) Mr. Fitts reminded the Subcommittee that the Building Commission had referred to them for discussion a request for approval of a revision in scope and estimated project cost from \$4,800,000.00 to \$5,025,000.00 (a \$225,000.00 increase), and a revision in funding from \$350,000.00 to \$5,025,000.00 (a \$4,675,000.00 increase), and acknowledgment of the source of funding for **Nursing Building Addition** at Middle Tennessee State University in Murfreesboro, and authorization to proceed with the project.

Comptroller Morgan asked that TBR address what distinguishes this from other nursing projects. Jerry Preston responded that the addition was disclosed as a non-State funded project. He said the \$225,000 was for the roofing portion of the existing building. He said they could've done it as a separate project, but for convenience, they put them together. He added that the project is not dependent upon State funding, but that the TTU nursing facility does rely on State funding.

A discussion ensued on how projects get on one list and not another, and the difference between UT's process and the Board's. Mr. Preston commented that UT only has the five campuses, giving them more flexibility over the Board's 45 campuses. In response to Treasurer Sims' question regarding the maintenance list, Mr. Preston explained how projects are identified in the budget. After general discussion, the Subcommittee approved sending the request back to the full Commission for action.

Revised Estimated Project Cost: \$ 5,025,000.00
SBC Project No. 166/009-02-2004

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Rutherford County – 446.0 +/- Acres with Improvements – Old Guy James Road, Middle Tennessee State University – Trans. No. 05-02-008 (LW)

Purpose: Acquisition in Fee to consolidate the Farm Laboratories Program in the School of Agribusiness and Agri-science.

Source of Funding: TSSBA and Proceeds from Sale of Dairy Farm Property

Estimated Cost: Fair Market Value

Estimated Value: \$4,000,000.00

Owner(s): Rutherford County

Comment: The County estimates the land value and buildings is approximately \$8,500 to \$10,000 per acre if privately developed. The County has proposed reducing the value to \$8,000 to \$9,000 per acre upon two conditions: restricting land use to educational purposes and the county having the first right of refusal to purchase if the property is ever to be sold.

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. This is a priority with Middle Tennessee State University to consolidate the farm operations into one location and has the support of THEC. Staff referred to Sub-committee for discussion.

SC Action: 03-21-05. Charles Garrett summarized the transaction. He advised the County will sell to the State at a reduced value and contingent upon (1) the County having the first right of refusal to purchase property, (2) use for educational purposes only for thirty years, and (3) no landfill use for fifty years.

Comptroller Morgan raised concern regarding funding issues and utilizing revenues from parking and other auxiliary funds. He stated the TSSBA does not contemplate land issues. Mr. Morgan stated the statute would have to be modified. Secretary Darnell stated there is no guarantee legislation will pass. After further review and discussion, Sub-committee approved the transaction as presented subject to financing arrangements being approved by the TSSBA. Secretary Sims requested an annual report regarding this transaction.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for REVISED APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property:

Description: **Rutherford County – 0.640 +/- Acres (2 Lots) with Improvement – 807 North Tennessee Boulevard, Murfreesboro, TN – Trans. No. 04-11-001 (LW)**

Purpose: Revise Previous Approval to acquire property above appraised value and revised funding.

Source of Funding: \$219,750.00 – Institutional Auxiliary Funds – Appraised Value
\$20,250.00 – Private Foundation Funds

Estimated Cost: \$240,000.00

Owner(s): Steve Anderson

Comment: Previously approved for acquisition on November 29, 2004

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for discussion.

SC Action: 03-21-05. Charles Garrett summarized the transaction. He stated the \$20,250.00 requested would come from Private Foundation Funds, and that the property is in the heart of the campus. Jerry Preston stated the property is across the street from the Murphy Center and a prime location. Secretary of State Darnell said the only reason he is willing to approve the property at more than the appraised value was because it is only above 10%. Sub-committee reluctantly approved the transaction. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Shelby County – 2.08 +/- Acres with Improvements – 690-708 Linden Avenue, Memphis, TN – Trans. No. 05-02-005 (LW)**

Purpose: Acquisition in Fee for the Southwest Tennessee Community College Master Plan for parking purposes.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Estimated Value: \$600,000.00

Owner(s): Dave and Jan Clairday

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 03-21-05. Charles Garrett summarized the transaction. He stated the property appraised for \$700,000.00 and the property owner will sell for \$600,000.00. Sub-committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

- Description: **Shelby County – 95.39 +/- Acres – East Shelby Drive, Southwest Tennessee Community College, Memphis, TN – Trans. No. 05-02-010 (LW)**
- Purpose: Acquisition in Fee for the Southwest Tennessee Community College's New/Replacement Campus project – SBC Project No. 166/033-01-04. This project implements the recommendation of the STCC master plan to replace the lease at the southeast campus at Mendenhall.
- Source of Funding: State Funds contingent upon \$5,000,000.00 – Legislature
\$520,000.00 – Current Funds – Full Planning
- Estimated Cost: Fair Market Value
- Owner(s): Dunavant Enterprises, Inc.
- SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Jerry Preston advised that the proposed acquisition is contingent on funding approval. Staff referred to Sub-committee with recommendation.
- SC Action: 03-21-05. Charles Garrett summarized the transaction. Jerry Preston advised that the transaction will be a new campus to replace the leased Mendenhall location and that the transaction is subject to appropriation. Sub-committee approved the transaction as presented subject to funding being included in the budget. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

INFORMATION ITEM

Assistant Commissioner Jim Fyke advised that a proposed acquisition will be forthcoming. He stated a 3,700 acre tract in Fentress County, known as Pogue Creek Gorge, is adjacent to Pickett State forest and Pickett State Park. He stated The Nature Conservancy has acquired the property and will hold until re-appropriated funds are approved in July. He stated a request will come forward when funds are in place. Staff referred to Sub-committee for information purposes. No action is required at this time.

SC Action: 03-21-05. Charles Garrett stated that \$3,000,000.00 was appropriated for a different project that was unable to be acquired as the property had sold to speculators before the State could act. Assistant Commissioner Jim Fyke stated the request to re-appropriate the funds is in the current budget and that The Nature Conservancy has purchased the Pogue Creek Tract in order to prevent development. He advised the agency would come back with a transaction to purchase the property from The Nature Conservancy upon budget approval. Sub-committee acknowledged the information and thanked the agency for bringing this information forward.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: **Humphreys County-1203 Highway 70 West, Waverly, TN-Trans. No. 02-02-919 (TH)**

Purpose: To provide office and related space for local operations of the Departments of Human Services and Children's Services

Term: June 1, 2006 thru May 31, 2016 (10 yrs.)

Proposed Amount: 7,500 Square Feet

Annual Contract Rent:	\$69,900.00	@ \$ 9.32/sf
Est. Annual Utility Cost:	\$10,500.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 8,250.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$88,650.00	@ \$11.82/sf

Current Amount: 7,200 Square Feet

Annual contract Rent:	\$69,900.00	@ \$ 9.71/sf
Est. Annual Utility Cost:	\$10,080.00	@ \$ 1.40/sf
Est. Janitorial Cost:	<u>\$ 7,920.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$87,900.00	@ \$12.21/sf

Type: Amendment No. 1 – 300 Additional Square Feet

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: Pedigo-Waverly Properties, LP

Comment: The proposed amendment provides the Lessor will construct Building 2 on the site. The Department of Human Services will continue to occupy the existing Building 1 and Children's Services will occupy Building 2. All other terms and conditions of the lease remain in full force and effect.

SSC Report: 03-14-05. Bob King summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 03-21-05. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Cheatham County – 322 Frey Street, Ashland City, TN – Trans. No. 96-04-919 (RS)**

Purpose: To provide office and related space for local operations of the Departments of Human Services and Children's services.

Term: February 1, 2005 thru January 31, 2006 (1 yr.)

Proposed Amount: 4,600 Square Feet

Annual Contract Rent:	\$48,300.00	@\$10.50/sf
Est. Annual Utility Cost:	\$ 6,440.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 5,060.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	<u>\$59,800.00</u>	<u>@\$13.00/sf</u>

Current Amount: 4,600 Square Feet

Annual Contract Rent:	\$43,000.00	@\$ 9.35/sf
Est. Annual Utility Cost:	\$ 6,440.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 5,060.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	<u>\$54,500.00</u>	<u>@\$11.85/sf</u>

Type: New Lease – Negotiated

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-tenant Property

Lessor: BP Ashland, LLC

Comment: The proposed lease will provide space for continued operations pending construction of a new facility.

SSC Report: 03-14-05. Bob King summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 03-21-05. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF VETERANS AFFAIRS

WEST TENNESSEE VETERANS HOME, HUMBOLDT, TENNESSEE

- 1) Mr. Fitts stated that six bids were received March 9, 2005 on a project for the **Dementia Addition** to the West Tennessee Veterans Home, Humboldt, Tennessee. He said that the low bid was approximately \$500,000 over budget and that additional federal funds in the approximate amount of \$199,550 could be made available, leaving the shortage of approximately \$300,000 to be paid by the State. Mr. Fitts said that the Division of Real Property Administration had reviewed the bid and specifications using value engineering and identified certain cost reductions, and projected that they may be able to reduce the bid amount by approximately \$100,000.

Rod Wolfe, Executive Director of the Tennessee State Veterans Homes Board (the "Board") was recognized. He said that the Board is requesting approval of the increase in cost, subject to the analysis and approval of the feasibility of the increase in annual debt service. Mr. Wolfe explained that the Board is able to retain \$1 million more of the VA per diem than in prior years. This additional revenue would provide funding for the increase in debt service. He stated that the application has been submitted to the Veterans' Administration in Washington, DC and that April 15, 2005 is the final date for commitment. Comptroller Morgan stated that it would be advisable to have the Division of Bond Finance review the information with other staff members before moving forward.

Contingent upon Bond Finance's recommendation and staff review, the Subcommittee approved the increase in funding from \$3,070,000 to approximately \$3,570,000* (an increase of \$500,000), with an estimated \$300,000 to be provided by the State, and authorization to award a contract to McKinney Construction, South Fulton, Tennessee, in the amount of \$2,942,474.

Revised Estimated Project Cost: \$3,503,597.00*
SBC Project No. 680/000-03-2003

*After review by Bond Finance staff, the final project cost was determined at \$3,503,597.

STATE BUILDING COMMISSION

EXECUTIVE SUBCOMMITTEE MEETING MINUTES

- 1) Approved the Minutes of the Executive Subcommittee meeting held on February 22, 2005.

Following approval of the Consent Agenda, the meeting adjourned at 11:15 a.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **University of Tennessee – Franklin County**
Transaction: Disposal by Lease
Provision: Waiver of Advertisement and Appraisals
- B. Agency: **University of Tennessee – Knox County**
Transaction: Disposal by Lease
Provision: Waiver of Advertisement and Appraisals
- C. Agency: **University of Tennessee – Maury County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement
- D. Agency: **University of Tennessee – Shelby County**
Transaction: Acquisition in Fee
- E. Agency: **University of Tennessee – Knox County**
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- F. Agency: **Department of Veteran’s Affairs – Rutherford County**
Transaction: Acquisition by Gift
Provision: Waiver of Appraisal
- G. Agency: **Department of Education – Van Buren County**
Transaction: Lease Amendment
Provision: Waiver of Appraisal
- H. Agency: **Department of Agriculture – White County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement and Appraisals
- I. Agency: **Tennessee Wildlife Resources Agency – Jefferson County**
Transaction: Acceptance of a Permanent Easement
Provision: Waiver of Appraisal
- J. Agency: **Environment & Conservation – Sullivan County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement and Appraisals

- K. Agency: **Environment & Conservation – Knox County**
Transaction: Acquisition in Fee
- L. Agency: **Environment & Conservation – Knox County**
Transaction: Acquisition in Fee
- M. Agency: **Labor & Workforce Development – Madison County**
Transaction: Lease Agreement
- N. Agency: **Financial Institutions – Knox County**
Transaction: Lease Amendment
- O. Agency: **Finance & Administration – Madison County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement and Appraisals
- P. Agency: **Finance & Administration – Bedford County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- Q. Agency: **Finance & Administration – Lewis County**
Transaction: Lease Agreement
- R. Agency: **Finance & Administration – Chester County**
Transaction: Lease Agreement
- S. Agency: **Finance & Administration – Decatur County**
Transaction: Lease Agreement
- T. Agency: **University of Tennessee – Knoxville**
Transaction: Demolition of Greenhouses

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Franklin County – 495 Square Feet – University of Tennessee Space Institute, Tullahoma, TN – Trans. No. 05-02-012 (GM)**

Purpose: Disposal by Lease of office space to Flow Analysis, Inc., for the purpose of conducting research on applications of technologies developed at the Institute.

Term: Five (5) Years

Consideration: \$5,074.00 per Annum (\$10.25/sf)

Grantee: Flow Analysis, Inc.

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

Sc Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Knox County – 1,112 Sq. Ft. – 600 Henley Street, Knoxville, TN – Trans. No. 05-02-014 (GM)

Purpose: Disposal by Lease of office space to the University of Tennessee Foundation, Inc.

Term: Five (5) Years

Consideration: \$17,792.00 per Annum (\$16.00/sf)

Lessee: University of Tennessee Foundation, Inc.

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPROVAL of RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: **Maury County – 0.44 +/- Acres (475' by 40') – University of Tennessee Middle Tennessee Experiment Station – Trans. No. 05-02-015 (GM)**

Purpose: Disposal of a Permanent Easement to allow the Duck River Electric Corporation to construct, reconstruct, operate, and maintain an electric transmission and/or distribution line or system above University described property. The extension of an above ground power line will have a negligible impact on University operations.

Estimated Sale Price: Fair Market Value

Grantee: Duck River Electric Membership Corporation

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 0.54 +/- Acres – University of Tennessee Health Science Center, Memphis, TN – Trans. No. 05-02-016 (GM)

Purpose: Acquisition in Fee of property identified in the Master Plan for acquisition.

Source of Funding: Land Acquisition Fund

Estimated Cost: Fair Market Value

Owner(s): Shelby County

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Alvin Payne advised that Shelby County was going to place the property up for auction to the open market without the University's knowledge. He stated that the County has agreed to hold up on the auction until the transaction to purchase receives approval from the State Building Commission. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE EXTENSION for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Knox County – 220 Carrick Street, Knoxville, TN – Trans. No. 05-03-907

Purpose: To provide office and related space for Law Enforcement and Innovation Center (LEIC).

Term: June 1, 2005 thru May 31, 2010 (5 yrs.)

Proposed Amount: 3,096 Square Feet
Annual Contract Rent
Incl. Utility Cost: \$24,618.00 @\$7.95/sf
Est. Annual Janitorial Cost: \$ 3,405.60 @\$1.10/sf
Total Annual Effective Cost: \$28,023.60 @\$9.05/sf

Current Amount: 3,096 Square Feet
Annual Contract Rent
Incl. Utility Cost: \$23,901.00 @\$7.72/sf
Est. Annual Janitorial Cost: \$ 3,405.60 @\$1.10/sf
Total Annual Effective Cost: \$27,306.60 @\$8.82/sf

Type: New Lease - Negotiated

Lessor: Boys & Girls Club of the Tennessee Valley

Comment: The LEIC is co-located with the Knoxville Police Training Academy for training of law enforcement officers.

SSC Report: 03-14-05. Alvin Payne summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF VETERAN'S AFFAIRS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and to ACCEPT as GIFT, with WAIVER of APPRAISAL, required interest in the following real property:

Description: Rutherford County – 1.71 +/- Acres – Sam Jared Road, State Veterans Home, Murfreesboro, TN – Trans. No. 05-02-018 (LW)

Purpose: Acquisition by Gift of property adjoining the current Veteran's Home property for construction of an addition to the Home – SBC Project No. 680/000-02-003.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): U. S. Department of Veterans Affairs

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF EDUCATION

LAND ITEM

Review of a request for APPROVAL of a LEASE AMENDMENT, the following real property, with WAIVER of APPRAISAL, as required by TCA 12-1-106:

Description: Van Buren County – 5.03 +/- Acres – Camp Clements, Doyle, TN – Trans. No. 05-02-017 (BM)

Purpose: Lease Amendment to be added to the existing 52.0 acre lease and used for vocational activities, recreation, and youth leadership training.

Estimated Cost: Grant – Public Benefit

Term: Same as Existing Lease – Expires May 2011 with a 25-year Renewal Period

Lessor: Future Farmers of America

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: White County - 0.50 +/- Acres - Doyle Fire Tower Site - Trans. No. 05-02-004 (CH)

Purpose: Disposal in Fee by reversion to the original Grantor's son. The remainder of the 1.0 acres site (0.50 acres) will be retained to maintain a forestry work center.

Original Cost to State: \$1.00

Date of Original Conveyance: February 1954

Grantor Unto State: Earnest Sparkman

Estimated Sale Price: None - Reversion

Grantee: William Boles Sparkman

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

TENNESSEE WILDLIFE SOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to ACCEPT a PERMANENT EASEMENT as GIFT, the following real property with WAIVER of APPRAISAL:

Description: Jefferson County – 46.0 +/- Acres – Douglas Lake – Trans. No. 05-02-007 (CH)

Purpose: Accept a Permanent Easement from TVA for recreation and boat access for improvement of the access site.

Source of Funding: TWRA Boating Registration & License

Estimated Cost: \$15,000.00

Owner(s): Tennessee Valley Authority

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: Sullivan County – 0.02 +/- Acres Warriors Path State Park, Blountville, TN – Trans. No. 05-01-011 (BM)

Purpose: Disposal in Fee to correct a survey error of property mistakenly included in the Park boundary when the original survey was conducted.

Date of Original Conveyance: April 1997

Grantor Unto State: Victor P. Sulkowski

Estimated Sale Price: None – Deed of Correction

Grantee: Clarence Ramsey

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Knox County – 20.0 +/- Acres – House Mountain State Natural Area – Trans. No. 05-02-009 (BM)**

Purpose: Acquisition in Fee for protection of forested slopes adjacent to the House Mountain State Natural Area.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Fair Market Value

Estimated Value: \$25,000.00

Owner(s): Dr. Billy K. Boruff

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Knox County – 82.0 +/- Acres – House Mountain State Natural Area – Trans. No. 05-02-020 (BM)**

Purpose: Acquisition in Fee for protection of forested slopes adjacent to the House Mountain State Natural Area.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Fair Market Value

Estimated Value: \$125,000.00

Owner(s): Zack Henry

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Madison County – 416 East LaFayette, Jackson, TN – Trans. No.98-07-911 (TH)

Purpose: To provide office and related space for continued operations.

Term: July 1, 2005 thru June 30, 2006 (1 yr.)

Proposed Amount: 6,558 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$57,510.00 @ \$8.77/sf
Total Annual Effective Cost: \$57,510.00 @ \$8.77/sf

Current Amount: 6,558 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$44,885.36 @ \$6.84/sf
Total Annual Effective Cost: \$44,885.36 @ \$6.84/sf

Type: New Lease – Negotiated

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None – Multi-tenant Facility

Lessor: John H. Allen

Comment: The proposed lease will allow the agency time to assess future needs in the area.

SSC Report: 03-14-05. Bob King summarized the transaction. After review and discussion, Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCIAL INSTITUTIONS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Knox County – 9047 Executive Park Drive, Knoxville, TN – Trans. No. 04-11-902 (JS)

Purpose: To provide office and related space for the Department's Compliance Division.

Term: May 1, 2005 thru March 31, 2012 (6 yrs., 11 mos.)

Proposed Amount: 7,004 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$93,583.58 @ \$13.36/sf
Avg. Annual Effective Cost: \$93,583.58 @ \$13.36/sf

Current Amount: 4,964 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$65,773.00 @ \$13.25/sf
Avg. Annual Effective Cost: \$65,773.00 @ \$13.25/sf

Type: Amendment No. 1 – 2,040 Additional Office Space

FRF Rate: \$14.00 Per Square Foot

Purchase Option: None – Multi-tenant Property

Lessor: All Eleven

Comment: The proposed amendment provides the Lessor will perform tenant improvements at no additional cost to the State.

SSC Report: 03-14-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL, with CONSTRUCTION EASEMENT, of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: **Madison County – 65 Square Feet of Right-of-Way – Royal Street, Jackson, TN – Trans. No. 05-02-021 (CH)**

Purpose: Disposal in Fee with a Construction Easement for road improvement project.

Original Cost to State: \$81.25

Date of Original Conveyance: December 1975

Grantor Unto State: Jackson Housing Authority

Estimated Sale Price: Grant – Public Benefit

Grantee: City of Jackson

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT with RIGHT-OF-ENTRY, and with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Bedford County – 0.15 +/- Acres Fire Fighter and Building Code Academy – Trans. No. 05-02-011 (GM)

Purpose: Disposal by Easement for electric utility line to the Academy.

Estimated Sale Price: Grant – Mutual Benefit

Grantee: Duck River Electric Membership Corporation

SSC Report: 03-14-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Lewis County – 35 Smith Street, Hohenwald, TN – Trans. No. 04-03-907 (TH)

Purpose: To provide office and related space for local operations of the Departments of Human Services and Children's Services

Term: March 1, 2006 thru February 28, 2016 (10 yrs.)

Proposed Amount:	<u>7,000 Square Feet</u>		
	Annual Contract Rent:	\$52,800.00	@\$7.54/sf
	Est. Annual Utility Cost:	\$ 7,700.00	@\$1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,700.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$68,200.00	@\$9.74/sf

Current Amount:	<u>3,700 Square Feet</u>		
	Annual Contract Rent:	\$23,900.00	@\$6.46/sf
	Est. Annual Utility Cost:	\$ 5,180.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,070.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$33,150.00	@\$8.96/sf

Type: New Lease – Advertisement – Lowest of (4) Proposals from (2) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-tenant Facility

Lessor: Lewis County

Comment: The proposed lease provides (1) Lessor will renovate 7,000 square feet of office space including interior tenant improvements at no additional cost to the State, (2) Lessor will furnish water and sewer utilities, and (3) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 03-14-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and as required by TCA 12-2-115:

Location: Chester County – North Church Street, Henderson, TN – Trans. No. 04-01-923 (TH)

Purpose: To provide office and related space for county operations for the Departments of Human Services and Children's Services.

Term: January 1, 2006 thru December 31, 2015 (10 yrs.)

Proposed Amount: 7,024 Square Feet
Annual Contract Rent: \$64,972.00 @\$ 9.25/sf
Est. Annual Utility Cost: \$ 9,833.60 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 7,726.40 @\$ 1.10/sf
Total Annual Effective Cost: \$82,532.00 @\$11.75/sf

Current Amount: 3,630 Square Feet
Annual Contract Rent: \$34,000.00 @\$ 9.37/sf
Est. Annual Utility Cost: \$ 5,082.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 3,993.00 @\$ 1.10/sf
Total Annual Effective Cost: \$43,075.00 @\$11.87/sf

Type: New Lease – Advertisement – Lowest of (6) Proposals from (3) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: Susan Cox

Comment: The proposed lease provides (1) the Lessor will construct a 7,024 square foot office building including interior tenant improvements at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 03-14-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and as required by TCA 12-2-115:

Location: Decatur County – Highway 100/Main Street, Decaturville, TN – Trans. No. 04-03-905 (TH)

Purpose: To provide office and related space for county operations for the Departments of Human Services and Children's Services.

Term: January 1, 2006 thru December 31, 2015 (10 yrs.)

Proposed Amount:	<u>5,924 Square Feet</u>		
	Annual Contract Rent:	\$58,150.00	@ \$ 9.82/sf
	Est. Annual Utility Cost:	\$ 8,293.60	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,516.40</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$72,960.00	@ \$12.32/sf

Current Amount:	<u>3,460 Square Feet</u>		
	Annual Contract Rent:	\$16,800.00	@ \$ 4.85/sf
	Est. Annual Utility Cost:	\$ 4,844.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,806.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$25,450.00	@ \$ 7.35/sf

Type: New Lease – Advertisement – Lowest/Only Proposal from (1) Proposer and (1) Non-conforming from (1) Proposer

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: Susan Cox

Comment: The proposed lease provides (1) the Lessor will construct 5,924 square feet of office space including interior tenant improvements at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 03-14-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

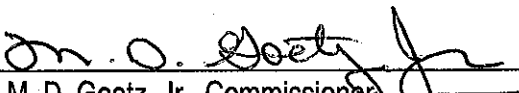
SC Action: 03-21-05. Sub-committee approved the transaction as requested. Final action.

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT KNOXVILLE, TENNESSEE

- 1) Approved a project to **Demolish Greenhouses** 1630, 1631, and 1632 at the University of Tennessee at Knoxville, Tennessee.

Estimated Project Cost: \$430,000.00
SBC Project No. 540/009-06-2005

Approved by: 
M. D. Goetz, Jr., Commissioner
Department of Finance and Administration